
Missouri Department of Economic Development

Community Development Block Grant Program

FY-2004 RURAL AFFORDABLE HOUSING DEVELOPMENT PROPOSAL

**Harry S Truman Building Room 770
301 W. High Street
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Jefferson City, Missouri 65102
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REQUEST FOR PROPOSALS – RURAL HOUSING

**Missouri Department of Economic Development
Community Development Block Grant Program
301 West High Street, H S Truman Building, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
(573) 751-3600**

The State of Missouri Community Development Block Grant (CDBG) Program will accept proposals by eligible applicants to assist in the development of housing for low and moderate-income persons in the rural (non-entitlement) areas of the state. **This year we will contingently award funds to projects that preserve existing low income housing or preserve historic buildings for the purpose of affordable housing.**

The proposals must be received **no later** than 5:00 PM, August 15, 2004, or postmarked on that date. Mail to : Department of Economic Development, CDBG Program, 301 West High Street - Room 770, Harry S. Truman Building, P.O. Box 118, Jefferson City, Missouri, 65102. **Since August 15, 2004, is on a Sunday, rural affordable housing proposals must be postmarked August 16th, or must be received by 5pm on Monday, August 16, 2004.** The purpose and goals, eligibility and compliance, maximum funding amounts, selection criteria, applicant requirements, and proposal content requirements are listed below.

PURPOSE AND GOALS: The purpose of this Request for Proposals is to use Community Development Block Grant (CDBG) funds to expand the supply of affordable housing in under-served rural areas of Missouri. Projects should be designed to further one or more of the following goals of the Missouri Department of Economic Development:

1. Assist in the provision of financially viable, market appropriate housing in areas of greatest housing need in the State, particularly rural communities with no recent affordable housing development;
2. Assist in the provision of quality housing at a reasonable cost to meet a variety of needs, including family, elderly and special needs populations;
3. Increase the ability of a variety of qualified sponsors, both for-profit and non-profit, to develop housing that is appropriate in size and design to the needs of non-entitlement communities;
4. Provide funding that is required for the financial feasibility of a development and its viability as a housing development while not over-subsidizing a development;
5. Allocate funds to those housing developments which provide the greatest overall public benefits to the community;
6. **Provide funds to those projects which: renovates existing complexes or buildings and provides amenities and/or services to residents not customarily provided in the community (i.e. child care, training, health care, counseling, computer/study centers, employment assistance, etc.); provides newly constructed single-family housing with a homeownership component; or renovates historic structures for housing.**
7. Assist projects that support other community/economic development activities within the community;
8. Provide funds to as many housing developments as possible considering cost, size location, and development strategy.

MATCHING REQUIREMENTS: Use of CDBG funds under this category shall be limited to matching either Low Income Housing Tax Credits (LIHTC), HOME, or MHDC's Fund Balance Programs. Please refer to the Missouri Housing Development Commission's (MHDC) August 2004 NOFA for more information about those programs.

ELIGIBILITY AND COMPLIANCE: All CDBG funds must be spent in accordance with program rules and regulations and on eligible CDBG activities.

1. All projects must meet a national objective: primarily benefiting low and moderate-income (LMI) persons (LMI is defined as 80% of the county median household income); or, eliminating slum and blighted conditions.
2. Eligible non-entitlement communities in the State of Missouri must sponsor all proposals. Cities and counties in Missouri that are in the HUD "**entitlement**" program, and are not eligible for "non-entitlement" funds distributed by the State include: Columbia, Florissant, Independence, Jefferson City, Jefferson County, and the cities within Jefferson County who have elected to participate in the Jefferson County entitlement program, Joplin, Kansas City, Lee's Summit, Springfield, St. Charles, St. Joseph, St. Louis (city), St. Louis County, and the cities within St. Louis County who have elected to participate in the St. Louis County entitlement program, which include the following: Ballwin, Bella Villa, Bellefontaine Neighbors, Bellerive, Bel-Nor, Bel-Ridge, Berkeley, Beverly Hills, Breckenridge Hills, Brentwood, Bridgeton, Calverton Park, Charlack, Cool Valley, Country Club Hills, Dellwood, Edmundson, Ellisville, Eureka, Fenton, Ferguson, Flordell Hills, Glen Echo Park, Glendale, Greendale, Hanley Hills, Hazelwood, Hillsdale, Jefferson City, Jefferson County, Jennings, Kinloch, Kirkwood, Mackenzie, Maplewood, Maryland Heights, Moline Acres, Normandy, Northwoods, Norwood Court, O'Fallon, Olivette, Overland, Pagedale, Pasadena Hills, Pasadena Park, Pine Lawn, Richmond Heights, Riverview, Rock Hill, St. Ann, St. John, Sycamore Hills, University City, Uplands Park, Valley Park, Velda Village, Velda Village Hills, Vinita Park, Vinita Terrace, Webster Groves, Winchester, and Woodson Terrace.

MAXIMUM FUNDING AMOUNTS: No more than \$200,000 of CDBG funds will be made available to any one city or county applicant (in this category), under this request for proposals.

If selected, the proposal will receive a **contingent commitment** of CDBG funds and be allowed six (6) months to secure remaining commitments necessary to undertake the development. In the event remaining funds are not secured within six (6) months from the date of contingent commitment the developer may present documentation that funds will be committed and request one (1) six month extension of this period. A full application will be required when all project funds have been secured.

DEVELOPMENT SELECTION: The State will first review all applications for completeness of Proposal Content Requirements and the Development Selection Criteria. The applicant will be notified of any deficiencies that are related to the Development Selection Criteria or the Proposal Content Requirements. The applicant will have ten business days from the receipt of the notice of deficiencies to provide the required information. If information regarding the deficiencies is not received within the given deadline, or such additional information continues to be deficient, the application will be removed from consideration for funding.

Proposed developments that meets the Application Requirements and Development Selection Criteria will be evaluated and selected for recommendation for funding based on the criteria described below.

DEVELOPMENT SELECTION CRITERIA:

1. Low Income Targeting/Address Conditions of Slum and Blight:
CDBG funds are restricted to those families with incomes at or below 80% of area (county) median income or they must address conditions of slum and blight.

The residents of units benefiting low and moderate income persons may pay no more than 30 percent of the imputed income applicable to the unit for both rent and utilities or mortgage and insurance. The income and rent limits are adjusted for household size.

Projects may address conditions of slum and blight by removing blighting conditions, rehabilitate structures that are blighted, remove debris, old foundations or other site conditions that impede redevelopment of the site or property and have a negative impact on adjacent property values.

2. Housing Needs Characteristics:

The State will give priority to those developments located in areas experiencing housing problems. Those are identified as areas where residents (1) experience a shortage of affordable units; (2) occupy units with significant physical defects; (3) are overcrowded; (4) have a cost burden greater than 30 percent of annual income for gross housing costs, as determined by the 1990 U.S. Census Data; and/or are located in an area determined by the State of Missouri to be distressed.

3. Development Location:

Priority will be given to projects located in rural communities that have an identified community housing priority (e.g. supports a local, regional or state plan, a neighborhood plan, a CHAS, or some other community sponsored need assessment, master plan, etc.).

Priority will be given to projects designed to renovate existing complexes or buildings into affordable units and sites that are development ready.

4. Development Characteristics:

Priority will be given to projects that provide a combination of the following:

- Developments that provides for the preservation of low income housing
- Developments that revitalize existing complexes
- Rehabilitation of blighted buildings, designated historic structures. Blighted buildings are buildings that have been officially blighted by the applicant or county.
- Developments that include amenities and/or services not customary in the community (e.g. training, computer/study centers, employment counseling, day care, health care).
- Developments that creates single-family homes with a homeownership component.

5. Sponsor Characteristics:

Applicant: Eligible applicants for State CDBG funds include non-entitlement cities and counties. Applications may be made on behalf of eligible sub-recipients or proposed to provide assistance to for-profit or not for-profit developers.

6. Funding Characteristics:

- Applicants may propose their CDBG funds as grants or loans. Grants may impact (by regulation) the basis from which LIHTC may be calculated. Loans may be set with rates and terms established by applicant.
- Justification and documentation of need is required (including, but not limited to, proving a funding gap or demonstrating an activity not eligible for LIHTC). The applicant must demonstrate that “but for” the participation of CDBG, the project could not occur.
- Applicants must substantiate their proposed cost estimates. Priority consideration will be given to proposals with more detailed, substantiated cost estimates.

APPLICANT REQUIREMENTS:

1. At least one public hearing shall be held prior to an proposal being submitted. This hearing shall be scheduled at a time and location felt to be most likely to make it possible for the majority of interested citizens to attend without undue inconvenience. The hearing must address the development of the needs and review of the proposed activities. Notification of any and all hearings shall be given a minimum of five full days in advance to allow citizens the opportunity to schedule attendance. Notification shall be in the form of display-type advertisements in the local newspaper with greatest distribution. All hearings must be held in a facility that is accessible to people with disabilities. **Note:** Provisions for interpretation shall be made available at all public hearings for non-English speaking residents, if 15% or more of such residents are expected to be in attendance.

(SAMPLE)
PUBLIC HEARING NOTICE

The _____ will hold a public hearing on _____ at City Hall to discuss the city's response to a Request for Proposals for housing development issued by the Missouri Department of Economic Development Community Development Block Grant (CDBG) program. The city is interested in obtaining all citizens' input on housing needs within the city. The State has established a maximum application request for this funding category. At least 51% of the funds must be used to benefit low-and-moderate income persons.

The city is proposing to _____. The area to be addressed is bounded by _____. The total project cost is estimated at _____. All citizens, including those in the proposed area, are encouraged to attend in order to comment on the proposed activities.

For more information on the proposed project, contact _____.

A copy of the public hearing notice and proof of publication must be included with the proposal as Exhibit G.

2. The applicant must also pass a resolution, which formally indicates their intent to pursue funding from the Community Development Block Grant Program. **A copy of the Resolution must be included with the proposal as Exhibit H.**

SAMPLE RESOLUTION

**A RESOLUTION OF THE CITY/COUNTY OF _____, MISSOURI,
STATING INTENT TO SEEK FUNDING THROUGH THE COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM AND AUTHORIZING THE MAYOR/PRESIDING COMMISSIONER TO PURSUE ACTIVITIES
IN AN ATTEMPT TO SECURE FUNDING.**

WHEREAS, Title I of the Housing and Community Development Act of 1974 does state as its primary objective "the development of viable urban communities, by providing decent housing, suitable living environment and expanding economic opportunities principally for persons of low and moderate income";

WHEREAS, Title I does offer to communities the opportunity of monetary assistance in accomplishing its stated primary objectives;

WHEREAS, The Missouri Department of Economic Development is designated to award Community Development Block Grant funding under Title I; and,

WHEREAS, The city/county does have areas of need which may be addressed through the Community Development Block Grant program.

**NOW, THEREFORE, BE IT RESOLVED by the City/County of _____,
Missouri, that it desires to participate with the Missouri Department of Economic Development in
the improvement of our community under the activities authorized pursuant to the Housing and
Community Development Act of 1974.**

THEREFORE, BE IT FURTHER RESOLVED, that the Mayor/Presiding Commissioner of _____, Missouri hereby is authorized to prepare and submit documents which are necessary in applying for funding and establishing an administrative organization to implement activities pursuant to the aforementioned act.

SIGNATURE, CHIEF ELECTED OFFICIAL

DATE

ATTESTED BY

DATE

(AFFIX SEAL HERE)

APPLICATION REQUIREMENTS: The State will make available proposal packets for CDBG funding. Proposal packets will be available upon request. The State will provide information and assistance to sponsors regarding State application requirements up to the submission deadline. **To be eligible for CDBG funding, all proposals are due at 301 West High Street - Room 770, Harry S Truman Building, P.O. Box 118, Jefferson City, Missouri, 65102, on Monday, August 16, 2004, no later than 5 P.M., or be postmarked on that date.**

When submitting a proposal, please send **one original and four copies** of the completed proposal and exhibits. It is the intent of the CDBG Program to review, recommend and notify applicants of contingent commitments on or about November 15, 2004.

**Missouri Department of Economic Development
Community Development Block Grant Program
FY-2004 Housing Development Proposal**

Proposal is due at the CDBG Office no later than 5 p.m., August 16, 2004
Send one original and three copies of the proposal forms and exhibits.

1. Eligible Applicant Information:
Name (City or County):
Mailing Address:
City, State, & Zip Code:
County:
Chief Official of Applicant:
Local Contact Name:
Telephone Number:
Fax Number:

2. Eligible Sub-Applicant , if applicable:
Organization Name:
Mailing Address:
City, State, & Zip Code:
Chief Official of Org:
Local Contact Name:
Telephone Number:
Fax Number:

3. Development Information:
Developer Name:
Type of Organization:
Mailing Address:
City, State, & Zip Code:
Phone Number:
Fax Number:
Contact Person:
Contact Person E-mail:
Development Name:
Development Address:
City, State, & Zip Code:

County:
Census Tract:
Congressional District:
State Senate District #:
State House District #:

4. Project Information:	
Status of Site Control (If site controlled, provide copy of document):	
<input type="checkbox"/> Not Yet Secured <input type="checkbox"/> Option <input type="checkbox"/> Contract <input type="checkbox"/> Deed <input type="checkbox"/> Lease	
If Control, Date Obtained:	
Expiration Date of Option or Contract:	
Is site currently zoned for intended use?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is site in or near flood plain or flood hazard area?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there any buildings on the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If so, please describe: 	
Is demolition planned?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If so, please describe: 	
To your knowledge, do(es) structure(s) have historical significance?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If so, please describe: 	
Does the development involve displacement? (Indicate number of families and/or businesses):	
Provide a description of the last affordable housing development (type, number of units) and the date built in the community.	

5. Development Team (please include address and telephone information for each):

Architect:

Contractor:

Management Agent:

Attorney:

6. Development Plan:**A. Project Type**☐ Existing affordable housing complex renovation:☐ Historic Renovation:☐ Single-Family with Homeownership Component:

Total Number of Units Planned:

Unit Type:

Number of Units for

Elderly:

Families:

Disabled:

Proposed Unit Rents: \$

Proposed Utility Cost Per Unit: \$

7. Proposed Financing:

Use of Funds		Amount	Source of Funds
Land Acquisition:		\$	
Construction:		\$	
Site	\$		
Demolition	\$		
Hard Costs	\$		
General Cond.	\$		
Overhead/Profit	\$		
Soft Costs:		\$	
Appraisal	\$		
Architect	\$		
Legal	\$		
Survey	\$		
Title	\$		
Market Study	\$		
Environmental	\$		
Financing Costs:		\$	
Origination Fee	\$		
Construction %	\$		
Other Fees	\$		
Developer Fees:		\$	
Other Costs (please list)		\$	
	\$		
	\$		
Project Contingency:		\$	
TOTAL USES OF FUNDS:		\$	
TOTAL CDBG REQUESTED:		\$	

8. Certification:

The undersigned official of the applicant (city/county) certifies that the information contained herein and the attached documents are true, correct, and complete to the best of my knowledge and belief. The applicant further understands that this project proposal is a preliminary request and is not a substitute for a full CDBG application.

Date: _____ Chief Official Name: _____

Title: _____ Signature: _____

EXHIBITS:

A. Development Narrative. Please include:

- Description of Project (one page)
- Market for Units/Documentation of Need for Proposed Housing (attach market study)
- Support for Proposed Rents/Sales Prices (one page)

B. Evidence of Current Zoning Status. As provided by local zoning or planning department.

C. Development Team. (As indicated in Section 5.)

Please submit resumes, historical development information and operating expense data on any existing housing development projects.

D. Rental Housing 5-Year Pro forma.

E. Sources of Project Financing. Please outline the proposed sources of both construction and permanent financing for the project. For construction financing, please list lender and amount of each loan. For permanent financing, list lenders, amount and proposed term of each loan, state grants, and equity. Include projected value of tax credit, and the source of cost estimate and provide any additional detail.

If the project involves home ownership, include any subsidies that may be required for down payment assistance, closing costs, home ownership counseling, etc.

F. Development Schedule. Please provide the proposed development schedule for the project. The schedule should begin at site acquisition and through final lease-up or move-in of final homeowner. Also include the date at which all development funds will be committed, and the number of units developed and occupied within 30 months.

G. Public Hearing Notice.

H. Resolution of Support from Local Government.

Proposal Checklist:

<input type="checkbox"/>	Eligible Applicant Information	Page 6
<input type="checkbox"/>	Eligible Sub-Applicant Information, if applicable	Page 6
<input type="checkbox"/>	Development Information	Page 6
<input type="checkbox"/>	Project Information	Page 7
<input type="checkbox"/>	Development Team	Page 8
<input type="checkbox"/>	Development Plan	Page 8
<input type="checkbox"/>	Proposed Financing	Page 9
<input type="checkbox"/>	Certification	Page 9

Exhibits:

<input type="checkbox"/>	Exhibit A – Development Narrative
<input type="checkbox"/>	Exhibit B – Evidence of Current Zoning Status
<input type="checkbox"/>	Exhibit C – Development Team
<input type="checkbox"/>	Exhibit D – Rental Housing 5-Year Pro forma
<input type="checkbox"/>	Exhibit E – Sources of Project Financing
<input type="checkbox"/>	Exhibit F – Development Schedule
<input type="checkbox"/>	Exhibit G – Public Hearing Notice
<input type="checkbox"/>	Exhibit H – Resolution of Support from Local Government